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Approved For Release 2001/10/30 : CIA-RDP57-00384R000500060004-9

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**OGC HAS REVIEWED.**

19 December 1951

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MEMORANDUM FOR [REDACTED]

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SUBJECT: Status of [REDACTED]

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1. As you know, there has been a serious question whether [REDACTED] could receive pay as a consultant to the Board and continue to draw his retirement pay as a former Foreign Service Officer. The arrangements now worked out are parallel with [REDACTED] status as an "intermittent consultant" paid on the basis of a flat fee per consultation. Under this arrangement, I understand that [REDACTED] submits vouchers for approximately ten consultations per month.

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2. [REDACTED] arrangement -- less than full-time employment and payment on a flat fee basis -- rests on a ruling of the Comptroller General, specifically indicated as appropriate to his case following a Navy query. However, Mr. Houston reports that there is some feeling in the Comptroller General's office that CIA, and O/NE in particular, may be using the basic ruling as a device for the wholesale use of retired military and Foreign Service officers. Therefore he has indicated to [REDACTED]

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[REDACTED] that, although the arrangement comes squarely within the specific ruling given to [REDACTED], it cannot be guaranteed that that ruling will stand up if the number of consultants multiplies. He has told [REDACTED] that it is virtually certain that any reversal would not be retro-active and involve the forfeiting of any sums received prior to the date of reversal.

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3. So far as [REDACTED] is concerned, this may somewhat complicate his decision, but since he will have nothing to lose, it should not really discourage him unless he is considering some more certain alternative.

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4. For general purposes, Mr. Houston would like to combat the Comptroller General's doubts about CIA and O/NE by a statement that the Board is using a number of other consultants on a "regular basis," who are not retired officers. I told him that no one on the present panel of consultants (aside from [REDACTED]) is used more than two or three times a month, and that this

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situation is not likely to change. He said that this frequency was enough to state that consultations took place on a "regular basis." (Presumably, a man may be both regular in the sense of not being left completely idle and also intermittent in the sense that consultations are not at fixed intervals.) I have drafted the attached memorandum for your signature, to meet Mr. Houston's need. The seven intermittent consultants referred to are:



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cc: ✓Mr. Houston

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